

**THE YEAR AT WESTMINSTER: YOUNGER'S UNHAPPY CENTENARY**

MARTIN DOWLE

In July 1985, when George Younger became the longest-serving Scottish Secretary in one continuous term his Ministerial colleagues gave a surprise dinner for him and presented him with a bed of nails crafted by an Argyll silversmith. It was an apt presentation which summed up the lot of both the Scottish Conservatives and Younger in the parliamentary session just ending.

If Younger thought that the centenary celebrations of the Scottish Office would mark a triumphal crowning of his six-year tenure before the reward from the Prime Minister of a senior UK department, he was sorely mistaken. His time was taken up instead with major Ministerial battles which forced him time and again to cash in much of the credit stored up over the years with his Cabinet colleagues to see him out of some of his greatest political crises so far.

But if it was a traumatic year for the Scottish Conservatives, as they wrestled with growing unpopularity over rating revaluation, the teachers' dispute and doubts over their capacity to safeguard the remains of the Scottish steel industry, it was an equally frustrating session for the opposition parties. With no prospect of an election on the horizon, Labour, the Alliance and the SNP seemed incapable of turning the evident huge public discontent with the Tories to their advantage, and they wearily ploughed their own furrows with little impact on either the life of Westminster or the outside world.

**1. Rating revaluation: The Tories in crisis**

The irony of rating revaluation, which plunged the Scottish Tories into their worst internal crisis since the split over the Declaration of Perth more than a decade before, was that it should have been the most easily avoided of the problems which dogged the Scottish Office team during the year. Indeed, the process had been delayed from 1983 to 1985 precisely because of the adverse effect Ministers knew it would have on their electoral prospects in that year.

Nevertheless, despite ample warning from civil servants (some of whom considered their professional advice on the likely outcome of revaluation as sailing close to the wind in explaining the political consequences) Ministers later argued that the episode had caught them unawares, and once the delayed response from the constituencies had filtered back by February 1985, four months after the original decision, it was too late for the reversal of the policy sought by Tory activists up and down Scotland.

The events surrounding revaluation ran parallel to a wider concern inside the Tory Party about local government finance in general, with Ministers under assault from two distinct lobbies: one protesting at the impact of the tightening of central Government control on local democracy; the other annoyed at the continuing growth of rates bills demanding reform of the system, though with little consensus in its ranks about what should replace rates.

The Government avoided open internal party discontent at the Tory conference in Brighton in October 1984 by establishing a Ministerial committee headed by Kenneth Baker, its dynamic middle-ranking local government Minister, selected by Mrs Thatcher to take on Ken Livingstone, the charismatic London Labour leader, in the battle over abolition of the Greater London Council and the metropolitan counties. The committee, which included Michael Ancram, the Scottish local government Minister, was to assume a central importance as the pressure north of the Border over revaluation put rating reform back at the top of the political agenda the following spring, and led the Prime Minister to inject fresh political impetus into the old search for a viable alternative to the present system.

Pressure on Ministers on the revaluation issue built up steadily in February as assessors' notices landed on the doormats. Horrified lifelong Tory voters forced their constituency associations into major protests to their MPs and Ministers, which culminated in an unsuccessful journey to London by Sir James Goold, the Scottish Conservative Party chairman, to tell the Prime Minister and Younger of the need to abandon the change. But Ministers stoutly resisted, and Ancram was forced to mount a defence of the decision that cut little ice back home in the constituencies, where revaluations of four or five-fold were common.

"Revaluations are always difficult because by their nature they produce gainers and losers," he argued early in March. "For those who find they are paying heavier rates bills it is unpleasant. But at the same time it is

a fair system because it ensures that the burden of rates is shared out fairly according to the value of properties."

As it became clear that there would or could be no retreat by the Government, Scottish Tory backbenchers and constituency activists turned their attention to the party's annual conference at Perth in May. Worried by their slump to below 20 per cent in Scottish opinion polls, about 8 per cent lower than their past poor general election showing, fiercely critical motions on the subject were sent in to Central Office, typified perhaps by that from Edinburgh Pentlands which broke with traditional Tory reserve to criticise Ministers of being "uncharacteristically dilatory and incompetent".

If the senior ranks of the Government had not yet got the message, they soon would. Viscount Whitelaw, previously unaware of the depth of feeling on the issue as he wrestled with the day-by-day problem of securing a majority for the Conservatives in the Lords, returned from a party visit to Scotland shocked by the mood. He immediately went to Downing Street to convey his impressions, and Mrs Thatcher, if she had not already been alerted to the warning signals, now began taking a close personal interest.

The scene then shifted to the Treasury. Younger financed an extra £38.5 million out of his own block grant to raise the level of revaluation relief from 5p to 8p in the pound. In doing so, however, regional aid (already badly hit by Norman Tebbit's large-scale cutbacks the previous autumn) suffered by more than £5 million; approximately the same was lopped off roads and transport, and separately the same off prisons and health. But the main loser was local authority housing, which was cut by £10.5 million.

It swiftly became evident that the extra £38.5 million was not enough to assuage feeling in the country, though it was greeted by Sir James as "a step in the right direction". Ministers soon realised that money was also needed to limit the burden on commercial ratepayers, many of them the Government's natural supporters as small businessmen. MPs and the party in general kept up the pressure: Nicholas Fairbairn, whose own district council of Perth and Kinross was shortly to slip out of Tory hands, accused the Government of betrayal and argued that the "mad" system of rate support grant which penalised the thrifty as well as the big spenders, meant that all Scottish ratepayers faced ruin.

Shaken, no doubt, by the loss of a previously safe regional seat in his own constituency of Ayr, Younger moved to cash in some of his credit at

the Treasury. He was brought face to face again with Peter Rees, the Financial Secretary, whose success in maintaining a fierce downward pressure on Scottish and English local government spending in the two previous public expenditure scrutiny rounds had lain at the root of the crisis.

With Younger, Whitelaw and Ministers from other departments who represented Scottish seats all pointing to the possibility of electoral oblivion for the Tories north of the Border at the next election, Thatcher threw in her lot with those who wanted to take the unusual step of dipping into the £5 billion contingency reserve to help retrieve the Government's position at the Perth conference. The £50 million wrung out of the Treasury was at least five times the amount expected by any delegate, and indicated the strength of Younger's position in the Cabinet hierarchy. But it was granted with bad grace by Nigel Lawson, the Chancellor, who vowed that next year the money would all have to be financed out of the Scottish Office block grant.

Although the whole episode demoralised the Scottish Conservatives more than any other issue during the year, it remained a strangely internal political dispute with the other parties almost accepting the view that it would be wrong to intrude on family grief. So far as Labour was concerned, this was largely because Donald Dewar, the Shadow Scottish Secretary, took a rather principled stand in refusing to clamour for greater sums of money on the grounds that it was likely to damage other parts of the block grant, as in the case of the £38.5 million for domestic ratepayers.

But it was also because he viewed the matter as part of a wider picture. Labour had, for example, supported the principle of industrial derating, as a means of preserving jobs, a measure introduced since the previous revaluation which had shifted the burden from industrial onto domestic and, to a lesser extent, commercial ratepayers. Labour also believed that revaluation was just another symptom of the problems caused by the Government's restrictive policies on local government in general.

However, Labour also had its own problems with three of its councils, in Aberdeen, Stirling and Edinburgh, threatening to defy Younger over their rate levels. This inhibited the party's argument that the Government was solely responsible for the average 27 per cent rates increase for the year. Notwithstanding the problems of Government and Opposition on the issue, both the Alliance and the SNP found themselves unable to make much headway on the issue, though in the longer term each might find itself a beneficiary in terms of seats if discontent among natural

Tory voters continued up to the end of the Parliament.

As the revaluation crisis reached its climax, Younger moved into the vanguard of those demanding reform of the rating system itself on the statute book in time for the next election in 1987 or 1988. Shortly before senior Ministers gathered at Chequers for a weekend summit to report progress to the Prime Minister, he declared in forthright terms: "This time we have got to deliver. Nobody is prepared to put up with the system as it is, and I agree with them."

Though his suggestion that Scotland could move ahead with reform before England, was dismissed by Thatcher, she soon forced the pace at the UK level by demanding a White Paper by the autumn, and she pencilled in legislation for the 1986/7 parliamentary session. Even so, the Baker Committee found the task hard going. Though pressed by the New Right, with a great deal of grassroots party support, to implement a straightforward poll tax as a solution, calculated by Michael Forsyth, the MP for Stirling, at £170 a head, this met much resistance from those opposed to a regressive form of taxation and was watered down into one of a number of elements in a possible final package.

## 2. Politics in a cold climate

Privately, and at times publicly, the Scottish Tories conceded that the issue apart from rates, which damaged them most in public perception was that of the Department of Health and Social Security's cold climate allowance. The refusal of Tony Newton, the Social Security Minister, and ultimately the Prime Minister herself, to budge on the issue as more south coast resorts qualified with temperatures which had yet to fall below zero while Scotland remained out in the cold in one of its bitterest winters for years, left the indelible impression of a Government which just did not care.

The initial running on the issue was made by the SNP's chairman and the Dundee East MP, Gordon Wilson. But he was swiftly joined by Labour MPs, in particular Donald Dewar and Gordon Brown, the party's coming expert on social security issues, and the discontent with the Tories on the issue failed to manifest itself in any movement of support between the Opposition parties. In the end, the embarrassment for the Conservatives was resolved by the simple expedient of abolishing the payments in the Fowler reviews together with its complicated system of trigger mechanisms which was based on temperatures falling below their normal averages, rather than compensating those with heating problems in perennially cold

(and particularly damp) areas of the country.

Without doubt the most intractable problem of the year for the Scottish Office team was the teachers' dispute, which demonstrated the strict limits of the department's independence from central Government when it comes to dealing with questions with clear knock-on effects in other areas. With the Government's thinking on public sector pay policy governed by its refusal from 1979 to follow Labour's example of Clegg-style commissions under which Governments granted the recommendations however large in a staged manner to fit in with pay norms of the time, Ministers were prevented by the centre from coming anywhere near conceding the central teachers' demand of an independent pay review whose recommendations would be honoured in full.

Though the Scottish Office was able to earmark considerably more for an eventual settlement than its counterpart for England and Wales, the prospects for a settlement evaporated as the financial year ran out and Younger lost the ability to move the money over into the new year. But in any event relations between the Scottish Office and the Educational Institute for Scotland had gone from bad to worse not least because of the targetting of Ministers' constituencies and the fierce response that that brought from them in return.

Labour made much of the running on the dispute in Parliament, though it was left to one Opposition MP in particular, George Foulkes, the former Lothian education convener, to suggest a compromise of an independent pay review to be held under the auspices of the Scottish joint negotiating committee. But the move came to naught as the two sides in the dispute drifted further apart and as the Scottish Office lost its "ring fence" around the subject as a similar confrontation built up in England and Wales, requiring a general co-ordination of policy.

The technique of targetting inhibited Labour from giving the full-scale support which it would in other circumstances have given to the EIS, which provides it with many of its constituency activists. But after the abandonment of the strategy that support grew warmer, and it paid substantial dividends when public sympathy swung back in favour of the teachers when in July the Prime Minister implemented in full the recommendations of the Plowden Committee on top peoples' pay, acceding to the report of an expert, independent pay body – the course which she had vowed not to take after she abandoned the Clegg system in 1979.

Targetting may have concentrated the minds of Ministers, particularly George Younger and Allen Stewart, the Minister for Education and Industry, on the issues, but it also caused a backlash amongst a number of Tory MPs who would otherwise have had sympathy with the teachers' cause, and there is little doubt that it contributed to a hardening of attitude on the part of the Government in the first six months of 1985.

One of the other major topics to dominate the parliamentary session was the review of airports policy by Nicholas Ridley, the Transport Secretary. Because of their small number, Scottish MPs were unable to stage the kind of revolt that Ridley faced from English MPs over the plan to extend Stansted (which led for a time to the withdrawal of the Government's White Paper) but they were nonetheless able to mount a skilful lobbying campaign which forced the Transport Secretary to abandon his opposition to Prestwick staying as the international gateway to Scotland.

The campaign was co-ordinated behind the scenes by Younger himself, who used all his Cabinet clout to safeguard his Ayr constituency interests. He mobilised the Scottish Select Committee under the chairmanship of his fellow Ayrshire MP, David Lambie, along with others like George Foulkes, and added to their number Michael Hirst, the Conservative MP for Strathkelvin and Bearsden, whose constituents lay under the proposed flightpath for additional flights into Glasgow Airport. Opponents of this coalition – namely Michael Forsyth and Anna McCurley, two of the new Conservative MPs, found no support for their amendments in the Select Committee seeking to prevent any recommendations that could prejudice the Government inquiry.

The clinching factor in the campaign appeared to be the calculation by a Department of Transport working party that closure would be as costly as retention over the next three years, an argument which was the basis of a practical response from Younger to those monetarists such as Ridley who had argued that it should make a profit or die. But Younger nevertheless had to accept that Prestwick would face closure in 1989 unless it was able to turn around its annual loss of £3.5 million which was biting deeply into the British Airport Authority's profitability.

But the litmus test for Younger in the centenary year came in the summer when it became evident that the uneasy compromise over Ravenscraig would be challenged by the British Steel Corporation which preferred closure and the concentration of its strip-mill production on the two South Wales plants, Llanwern and Port Talbot. The issue had assumed

an almost cardinal significance in Scottish politics after the bulk of the Scottish Tories in 1982 had agreed with the Opposition parties that its retention was essential to any future prospect of a heavy industrial base inside Scotland, and was also seen as of critical importance to Younger's policies after he had issued dark threats of resignation at the time of the Conservative conference in Brighton in autumn 1982.

Fears that this time round he might not be so successful in the battle, despite the enormously improved production record of the workforce, were heightened by the belief of a generally hostile attitude on the part of Norman Tebbit, the Trade and Industry Secretary, and his junior industry minister, Norman Lamont. But although both retained a firm adherence to a policy of strict profitability and to the need for a reduction in capacity to meet demand, it soon became evident that they had not raised strong objections to retention in Cabinet sub-committee meetings.

Indeed, it would have proved futile for them to do so, for the Prime Minister herself considered that the role played during the year-long miners' strike by the Ravenscraig workforce, which worked on in the face of demands for total closure of the works by both the National Union of Mineworkers and the dockers, had been of crucial importance in helping her "see off" (in her own words) the two dock strikes almost exactly a year before. After publicly having thanked the 4,000-strong workforce for their stand, it would have been particularly damaging politically for her to turn round and announce its closure, and Younger made the most of this argument in the Ministerial discussions on the future of the steel industry.

Opposition spokesmen criticised him for an unusual reticence in failing to match his Welsh opposite number, Nicholas Edwards, who loudly trumpeted the case for Llanwern during June and July 1985 on virtually every available occasion. By contrast, Younger simply pointed out his position on the future of Ravenscraig was well known, and that the decision would be announced in due course. Meanwhile, the same cross-party alliance as in 1982 in favour of the plant began its lobbying campaign. The unanimity inside the Scottish Conservative Party was disrupted only by Michael Forsyth, the Right-wing MP for Stirling, who incurred the wrath of Sir Hector Monro, one of the party's senior backbenchers, for suggesting on the eve of the Scottish Select Committee's visit to the plant that if it was not viable it should close.

While Younger and his Ministerial team backed the case for £90 million in investment for Ravenscraig's ageing coking ovens, the argument put forward by Tebbit and Lamont that the plant should remain open but

should not receive the extra funding was finally agreed inside the Government and subsequently with the BSC, which had included the decision in its corporate plan in August 1985. The outcome was, in fact, a reiteration of the Patrick Jenkin compromise of December 1982, right down to the detail that Ravenscraig once again had secured a three-year reprieve from those wishing to close it for good.

Although Younger could technically claim to have maintained his promise to save Ravenscraig, it was seen by the unions and the Opposition as a Pyrrhic victory, being accompanied by the announcement of the closure of the Gartcosh rolling-mill and the loss of 800 jobs. That decision meant that in future the bulk of Ravenscraig's steel output would have to go to the modern cold-rolling mill and steel-coating complex at Shotton in North Wales, thus knocking a hole in the Conservative's claim to a commitment to an integrated steel production capacity in Scotland. As Younger proclaimed that the decision reaffirmed the future of Ravenscraig, Dewar placed a different interpretation on the corporate plan, saying it would greatly weaken the Scottish steel industry through the closure of Gartcosh.

For Labour, the 1984/5 parliamentary session was a difficult one, dominated as it was by the NUM strike against the Coal Board to try to safeguard pit communities from closures. Scotland's Labour MPs did not have to deal with the problem of a response to working miners in the way that many of their colleagues south of the Border did, but instead found their work cut out in advocating the cases of those who fell foul of the much tougher decision by the NCB in Scotland to refuse to re-employ miners convicted of even the most trivial offences during the dispute.

Donald Dewar, in much the same way as Neil Kinnock, the party leader, at national level, had to remind his colleagues and the Labour Party in the country that the pursuit of the miners' strike was no substitute for an election victory in 1987/88, which would be the only way the party could gain power. Kinnock, arriving at the annual Perth conference in the aftermath of the collapse of the strike, had much fence-mending to undertake with some of his Scottish colleagues, and smoothed over the troubled waters only to disrupt matters again with an outspoken attack on the rates rebels of Edinburgh, Aberdeen and Stirling.

As all this was going on, the sixth anniversary of the Scotland Act referendum passed with the minimum of fuss at Westminster on March 1. Labour's Scottish whip, John Maxton, was unsuccessful in persuading the Government to concede a debate on the issue in the Scottish Grand

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Committee, which he had hoped could sit for the purpose at the Crown Buildings in Edinburgh, once earmarked for the Assembly that never came into being.

In the event it was probably just as well for Labour that the debate did not take place. The consultations by the most avid pro-devolution MPs on a Green Paper on the subject had aroused little public response, and a Ten Minute Rule Bill calling for an Assembly the week after was opposed in the Commons not by the Conservatives, but by Mark Hughes, the Labour MP for Durham. He attracted eight Northern English MPs into the No lobby against the Bill, thus demonstrating that the efforts in the previous year by John Prescott, then the party's spokesman on regional development (which culminated in the suggestion of regional assemblies with industrial powers for areas of England) had not removed animosity towards Scottish Home Rule.

Two months later, Kinnock privately met the Scottish group of Labour MPs at Westminster to discuss devolution, and it swiftly emerged that many of them remained unconvinced that the old opponent of the Wales Act was committed to Scottish devolution. As the session closed, there was a distinct difference of opinion between those fervent Home Rulers who demanded legislation in the first Parliamentary session under a Labour Government, and the party leadership, which argued that it could not be accorded such a priority by an administration pledged above all else to economic recovery and stamping out unemployment.

It was a year of frustration for the Alliance parties, which despite merging their efforts in Scotland at large found that it remained difficult to make an impact at Westminster, even though they boasted 8 out of Scotland's 72 MPs. In a concerted effort to tackle the two-party domination of Commons proceedings, they adopted the tactic of placing all their questions for Scottish question time on one particular topic on each occasion in the hope of maximising media coverage.

### 3. Legislation: The Fight for TSB Scotland

In a generally dull year for Scottish legislation, the scene was enlivened in April 1985 by the controversy over the flotation of the TSB caused when the Lords voted to establish the TSB Scotland as an independent bank.

The vote, by 67 to 54, was one of a catalogue of embarrassments for the Government in the Upper House, but more importantly caused problems for the Treasury as the department sponsoring the measure on behalf of the

TSB board. The Government defeat came at an extraordinarily late point in the legislation's passage, and after a number of MPs on a cross-party basis had warned of the consequences of floating off the bank on the terms proposed by Sir John Read, the chairman of the TSB group.

Gordon Wilson, the SNP chairman, and Jim Craigen, one of Labour's Scottish front-bench spokesmen, had little success in their efforts to interest colleagues in the effect of the Bill, which they felt would spell the end of TSB Scotland's independence. As Wilson pointed out in *The Scotsman* in February 1985, he had been "taken aback" when he read the provisions of the Bill, as up until then he had had found notions gleaned from the highly professional television advertisements that the TSB was a Scottish bank with its roots firmly established in the country which had given birth to the TSB movement.<sup>(1)</sup>

He was horrified by the provision in the Bill which liquidated the old TSB group which had worked on a confederal basis with autonomy reserved to the partner banks, dissolved the existing banks, sacked their trustees and transferred all assets and obligations to a new TSB group which would issue shares on a UK basis and control overall policy. Wilson dismissed the arguments of the TSB that the Scottish bank would retain its autonomy and be responsible for its own investment portfolio management, and instead pointed out that the bank itself said that the key criteria for all investment decisions would be the long-term rate of return.

It took Scottish parliamentarians some time to wake up to the importance of the TSB in Scotland, and it was only when it was generally recognised that it was a major competitor in the Scottish banking scene, with 2 million accounts, 1.25 million customers and a 25 per cent penetration of the personal savings market, that MPs treated it with the seriousness which they had earlier shown in the successful fight to retain the independence of the Royal Bank of Scotland.

But these arguments took a considerable time to filter into the minds of most MPs, and it was significant that when the TSB Bill came up for its Second Reading in the Commons in January 1985, the Labour front-bench Treasury team rejected the arguments of Craigen and adopted an officially neutral stance towards the measure. It was passed, therefore, by 204 votes to 37, a healthy Government majority of 167.

When the measure reached the Lords, it appeared that the Government whips would meet as little resistance as in the Commons when it won a Second Reading there by 113 votes to 76. But in its committee

stage, Lord Taylor of Gryffe, an SDP peer and chairman of Morgan Grenfell (Scotland) Ltd, pulled off what he described as “quite a coup” in persuading fellow peers to vote for an amendment which would float it off as an independent Scottish bank.

Lord Taylor’s argument that the bank could stand on its own feet and make an even greater contribution to the expansion of Scottish financial services was backed by a surprisingly wide range of speakers from all parts of the Lords, including Lord Ross of Marnock, the former Labour Scottish Secretary, Lord Grimond, the former Liberal leader, and the Earl of Selkirk. But as the dust settled, the Treasury argued that the Bill could not be left as it was with the amendment in it because it contradicted the very purpose of the legislation and left it completely unworkable.

Intense negotiations then began with a firm desire, particularly in Downing Street, on the part of the Government to see the measure returned to its original state. Sir John Read as chairman of the central board doubted the potential viability of an independent TSB Scotland, but George Younger as Scottish Secretary dropped heavy hints that he could throw his weight behind the proposed changes if there was sufficient evidence of a desire for independence among the depositors and employees. Alex Fletcher, the Minister for Corporate and Consumer Affairs, similarly argued for a solution that gave the Scottish operation the maximum degree of independence, but stressed that the impetus had to come from within the private sector itself.

In the end, however, the controversy subsided almost as inexplicably as it arose, demonstrating the limitations any revolt in the Lords can have on the Government of the day which in the end carries the electorate’s mandate. Lord Taylor appeared well satisfied with a series of modest concessions from the central board which fell well short of the original ambitions of the rebellious peers. He accepted an extra clause enshrining the “establishment and preservation” of the TSB Scotland and the three other subsidiaries within the proposed group holding company. In effect, the clause made it impossible for any future central board to merge TSB Scotland with the rest of its operations without further legislation being put through Parliament.

A week later, three further concessions were offered and accepted by the architects of the amendment. The TSB agreed to establish its registered office for the whole holding company in Edinburgh; offered to hold the annual general meeting in Edinburgh; and promised that “substantial holdings” in the group would be offered to Scottish financial institutions; “I

am conscious of the Government’s substantial majority in both Houses,” Lord Taylor said. “We have obtained substantial concessions for Scotland which would not have been obtained but for my amendment.”

As he departed for a business trip to the United States, he left the forces fighting for an independent TSB Scotland in disarray. Wilson dismissed the proposals as “the merest of empty gestures” and he and his allies across party lines fought a rearguard action when the amendments came to the Commons for approval. There was a flurry of excitement when Wilson unveiled a “mole” who had written to 13 MPs giving details of legal opinion by a prominent QC to the central board which argued that since the bank as an unincorporated institution was owned by its depositors—directly contrary to the argument of the Government White Paper in December 1983 that ownership had never been established and that it did not belong to the trustees, their employees or their depositors.

But the debate on the Lords amendments itself failed to live up to the earlier promise of an exciting evening, despite the revelation of Nicholas Fairbairn that his deposit account had risen through interest over 28 years from £1 10s 6d to £2.68. Craigen and Wilson both expressed their discontent with the final state of affairs, the former dismissing Lord Taylor’s claim that he had won “more than half a loaf”, and arguing instead that the concessions amounted to “little more than a handful of grain”. When at the end of the debate the Government secured its amendments by 193 votes to 69, it was clear that six months of a major campaign on the issue had resulted in the conversion of only 30 MPs to the cause of an independent TSB Scotland.

#### 4. Younger’s law of diminishing returns

The Scottish Office’s centenary year proved to be the toughest so far for Younger and his ministerial team as they tried to reconcile central Government policy to the political realities on the ground. It was becoming increasingly clear that on a whole range of fronts they were failing to gain even a grudging acceptance of the policies from a wide range of interest groups, let alone the electorate at large.

The rating revaluation crisis in particular indicated the extent to which Younger has had to use his final and most unenviable weapon in Whitehall battles – that of pointing out to colleagues the consequences of political annihilation north of the border if the Government’s strategy is not ameliorated.

It was not an argument to which the Prime Minister and her closest political allies paid much attention in the heady days of the Falklands victory and the afterglow of the landslide election victory of June 1983. Conservative MPs from the south-east have long resented what is viewed as preferential treatment for Scotland, and that view has been reinforced in this Parliament by the arrival of large numbers of first-term MPs from Midlands and the northern constituencies in England in marginal seats with similarly poor economic prospects and unemployment levels to those found in Scotland.

It is a view with which Thatcher and Tebbit, for example, would agree instinctively. They find Scotland's continued hostility to the Tories incomprehensible, particularly since during the year council housing dropped for the first time below the 50 per cent level as a result of the "Right to Buy" legislation. When Thatcher set a demoralised party conference at Perth the challenge of restoring the position of the Conservatives to their high point of the 1950s, she expected them to do so by selling the virtues of self-help, entrepreneurship and less governmental interference.

On closer reflection, English Tories know that a "devil may care" attitude towards Scotland does not stand up to examination. They know that a narrowing of their political base would make Scotland more, not less, difficult to govern. In addition, as the Government's fortunes plummeted, Conservative perspectives changed as they came to realise the importance of every seat in a closely-fought election which might result in a hung Parliament.

Though rating revaluation loomed as the largest issue of the year, the battle over Ravenscraig may in retrospect prove to be the more significant in political terms. It could certainly prove to be the most damaging to Younger's reputation – and the Government as a whole – over the coming year.

A foretaste of what was to come was given in August as the Conservatives began to fall out among themselves over the significance of the decision to close Gartcosh for the future of Ravenscraig. Sir Hector Monro, the chairman of the Conservative backbenchers, noticeably distances himself from Younger by opposing the closure of Gartcosh and affirming Labour's view that it formed an efficient and integral part of Scotland's steel-making complex.

Monro's move left Younger almost totally isolated within the Scottish

political spectrum on an issue on which three years before he had staked his reputation as Scottish Secretary. Though the implications have yet to manifest themselves, they will no doubt do so in the coming year. Yet it is already clear it demonstrates Younger's strategy of seeking compromises for Scotland in Cabinet to be a law of diminishing returns. After six years, his tightrope act has begun to wear a bit thin.

Martin Dowle. Chief Political Correspondent of *The Scotsman*

#### Reference

1. *The Scotsman*, 20th February, 1985.